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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

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6 May 1988

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Charles E. Allen
National Intelligence Officer for Warning

SUBJECT: Highlights of Monthly Warning Reports for April 1988

Herewith are summaries of key warning issues compiled by the NIO for Warning from the monthly Intelligence Community meetings conducted by the NIOs in March. The judgments expressed are those of the Community unless otherwise noted. The NIOs' complete reports are attached.

USSR/US

The Moscow summit will occur in the midst of the most dramatic ferment in the Soviet leadership in the last thirty years. Gorbachev has strong incentives to force the leadership dispute with "Second Secretary" Ligachev before the visit. A decisive confrontation seems likely.

- o Gorbachev aims to bolster his authority in negotiations with the President and to gain control of preparations for the Party conference to be held in late June.
- o There is some chance--perhaps one in five--that Ligachev will beat back this effort. If Gorbachev fails to clip Ligachev's wings now, it will be a serious, and perhaps fatal, political defeat.

US/NATO/Warsaw Pact

Once the INF treaty is ratified and the Moscow summit concluded, the arms control spotlight will be on conventional force reductions in Europe. Under the best of circumstances, however, an

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agreement is unlikely in the foreseeable future.

- o The Warsaw Pact's numerical superiority gives it most of the bargaining chips. Even highly asymmetrical reductions would weaken NATO without significantly diminishing Pact strength.
- o In the absence of a NATO position, the West may be presented with a superficially attractive offer that it must reject in the face of public opposition. The Pact may make its proposal public this fall, when Moscow may figure that Washington will be distracted by the election campaign.

Panama

Economic sanctions will be insufficient to force General Noriega from power within the short-term. Noriega is resourceful enough to muddle through. Subordinate commanders and the rank-and-file within the Panama Defense Forces remain loyal and are unlikely to move against him.

- o Even a massive US military reinforcement is unlikely, by itself, to intimidate Noriega. He probably will increase pressure on US service personnel as the crisis drags on. Attacks on Americans by Noriega's leftist supporters cannot be ruled out.

Iran/US/Gulf Arab States

American military successes on 18 April have not intimidated Iran, but Tehran's options for response, given its setbacks elsewhere, are narrowing. In the wake of its Faw defeat and ongoing economic troubles, Tehran's major immediate goal is to rally public support.

- o The Community generally believes that a direct attack on US Naval vessels in the Gulf is still unlikely, but confidence in this judgment has diminished. The Iranians have a strong revenge motive.
- o There is general agreement that terrorism will be the most likely response against the US and Gulf Arab states.

North Korea

Despite the increased cause for concern stemming from recent events in and involving North Korea--such as the airliner bombing, leadership changes, and economic problems--the Community agrees that the threat has not increased substantially in recent weeks. However, Pyongyang's erratic behavior and major information gaps warrant continued wariness.

- o North Korea's handling of its fundamental problems could, over the medium- and long-term, affect its strategy and tactics to the detriment of stability on the peninsula.


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